

Date	April 21, 2014	Court	Osaka District Court, 26th Civil Division
Case number	2013 (Wa) 2462		
<p>- A case wherein the court dismissed the plaintiff's claim based on its design right, while finding that the defendant had been using the design of the defendant's product prior to the filing of the plaintiff's application for design registration and therefore the defendant is entitled to a non-exclusive license based on prior use.</p>			

1. The plaintiff holds a design right for a design of a panel for construction use (No. 1404691; the "Design Right"). The design in question (a design of a part of an article; the "Design") has such a structure wherein four ribs with different widths are arranged in a row on the surface of a panel, and these four ribs have the same height and they become gradually wider in four stages, while the three grooves between the ribs are formed with an equal width.

The defendant manufactures and sells a panel for construction use (the "defendant's product"). The defendant's product also has a structure wherein four ribs with different widths are arranged in a row on the surface of a panel, with a difference from the plaintiff's registered design (the "Registered Design") in terms of the ratio of width[s] of the ribs.

2. The issues of the case are: [i] whether the defendant's design is similar to the Registered Design; [ii] whether there are any grounds for invalidation of the registration of the Design; [iii] whether the defendant is entitled to a non-exclusive license based on prior use; and [iv] the amount of damage sustained by the plaintiff.

3. The court determined that in light of the circumstances of the placement of orders for the defendant's product and the drawings exchanged between the defendant and the mold manufacturer, the defendant can be found to have been preparing for manufacturing and selling the defendant's product to which the defendant's design is affixed prior to the time of the filing of the plaintiff's application for design registration, and in conclusion, the court dismissed the plaintiff's claim based on its design right.